

TENNESSEE REGULATORY AUTHORITY

Deborah Taylor Tate, Chairman
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460 James Robertson Parkway
Nashville, Tennessee 37243-0505

March 5, 2004

Mr. Archie Hickerson
AGL Resources, Inc.
Location 1686, P. O. Box 4569
Atlanta, GA 30307

RE: Docket No. 04-00034 – Petition of Chattanooga Gas Company for Approval of Adjustment of Its Rates and Charges and Revised Tariff

Dear Mr. Hickerson:

After reviewing your petition, we have discovered that certain additional information is needed to complete the application. Please provide the following information, an original and thirteen (13) copies, addressed to:

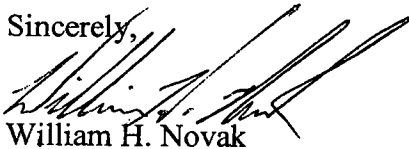
Deborah Taylor Tate, Chairman
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

74. Provide an explanation as to why the Company recorded retirements in its internal financial statements provided to the TRA for Account No. 389-Land during 2000, 2001, 2003? Provide all related accounting entries to these transactions.
75. Provide a breakout of Account No. 392-Transportation Equipment by depreciable service life and amount by month from September 30, 2000 through September 30, 2003.
76. Provide monthly net plant by state from October 1, 2000 through September 30, 2003.
77. Refer to MFR, Item #65. Provide a narrative description of the new business, removals, DOT, renewals, relocations, and other categories in the Company's capital budget.
78. Refer to MFR Item, Item #68F. Provide comparisons of the original budget and all adopted revisions for 2002 and 2003 to actual results.

79. Refer to MFR, Item #64, Schedule 9. In September 2001, the Company had a significant retirement of approximately \$3.6 million. Explain the nature of this transaction and provide all related accounting entries.
80. In the last rate case, the Company utilized Account Nos. 305, 311, and 320 for its propane plant. These accounts no longer appear on the Company's balance sheet. Explain the nature of this transaction and provide all related accounting entries.
81. Explain the December 2003 adjustment to account 248305 of \$15.8 million as shown on MFR, Item #69J.
82. Reconcile the Accumulated Depreciation as shown on MFR Item #69J at September 30, 2003 of \$64,992,030 with the balance sheet amount of \$70,137,103 at September 30, 2003.
83. Refer to Company Exhibit MJM-3, Schedule 1. Also refer to MFR Item #25. Provide all ratebase workpapers referred to in MJM-3, Schedule No. 1 that are not included in response to MFR, Item # 25.
84. Provide the current book depreciation rates by account that are used by the Company along with the citation of the TRA Order approving these rates.
85. Refer to MFR Item #67. Describe the nature of the salvage amounts for accounts 389 and 390 in 2000 and 2001. Provide all accounting entries related to these transactions.

Please respond by March 18, 2004. Thank you for your attention to this matter. If you should have any questions, you may contact me at (615) 741-2904, ext. 174.

Sincerely,



William H. Novak

Chief

Energy and Water Division

cc: Steven Lindsey
D. Billye Sanders
John Ebert
Elizabeth Wade

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